

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's)	
Own Motion into Competition for)	Rulemaking 95-04-043
Local Exchange Service.)	(Filed April 26, 1995)
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Order Instituting Investigation on the)	
Commission's Own Motion into Competition for)	Investigation 95-04-044
Local Exchange Service.)	(Filed April 26, 1995)
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STATEMENT OF VERIZON CALIFORNIA INC.

At the request of Commission Staff at the collaborative workshop held on November 17, 2003, Verizon California Inc. ("Verizon") respectfully submits the following summary of its presentation at the workshop and its and proposal for the next phase of this proceeding.

I. Summary of Verizon's Workshop Presentation

At the workshop, Verizon presented slides reiterating the details of the batch hot cut process that it proposed in its November 7, 2003 testimony. *See* Tab 1. As Verizon explained, the batch process builds upon Verizon's existing "basic" and "project" hot cut processes. *See* Verizon Migration Matrix to UNE Loops (attached at Tab 2) The batch, project, and basic hot cut processes provide CLECs with a range of effective and efficient options that utilize the most advanced technology in the industry. Moreover, these processes are fully capable of handling the increased volume of customer migrations that can be expected to occur if CLECs were no longer permitted to purchase local switching on an unbundled basis. This would be true even

without Verizon's new batch hot cut process, as reflected in the scalability analysis set forth in Verizon's direct testimony and the force-to-load model on which the analysis is based. Verizon's hot cut offerings thus fully satisfy its obligations under the *Triennial Review Order*^{1/} and 47 C.F.R. § 319(d)(2)(ii).

In addition, at the workshop, Verizon provided a further explanation of its Wholesale Provisioning Tracking System ("WPTS"), a Web-based system that permits electronic communication between CLECs and Verizon and real-time tracking of hot cut orders, thereby reducing the need for coordination between the CLEC and Verizon. WPTS, which Verizon has recently rolled out in California, has been extremely well received by the CLEC community overall, as reflected at the workshop in the comments of MCI's expert. (Tr. at 265:23) (Lichtenberg).

II. Next Steps in the Proceeding

A. The CLECs Should File Testimony Responding to Verizon's Specific Proposals within the Next Few Weeks and SBC's Proposals Should Be Addressed on a Separate Track

As the workshop itself highlighted, it is critical that Verizon and SBC's batch cut proposals be addressed separately within this proceeding for several principal reasons. *First*, the batch cut proposals of Verizon and SBC are in significantly different stages: While Verizon proposed a concrete, final batch cut process on November 7, 2003, SBC is in the process of developing its batch cut process, and will submit a final proposal on December 15, 2003. *Second*, the FCC has made clear that the batch cut processes offered by incumbents must be

^{1/} In the Matter of Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Deployment of Wireline Services Offering Advanced Telecommunications Capability, FCC 03-36, CC Docket Nos. 01-338, 96-98, 98-147 (rel. Aug. 21, 2003) ("*Triennial Review Order*").

evaluated on an *individualized* basis. See *Triennial Review Order* ¶ 489 (“The [batch cut] processes adopted will necessarily vary based on the relevant incumbent’s particular network design and cut over practices.”). Addressing the Verizon and SBC batch processes on a joint basis, as some CLECs have proposed, would therefore be inappropriate. *Third*, while the Verizon batch cut process and the batch cut process that SBC ultimately proposes will no doubt share some similarities, they will be distinct processes utilizing different systems and procedures. Because this proceeding will invariably focus on the specifics of those systems and procedures and how they impact CLECs, joint consideration of the Verizon and SBC batch processes will risk significant confusion on the part of the Commission and the parties.

Fourth, failure to address the Verizon and SBC batch cut processes on separate tracks will unjustifiably delay consideration of Verizon’s proposal. Further action on Verizon’s November 7 testimony should not be stalled because of the status of the SBC proposal, particularly given the stringent time constraints imposed by the *Triennial Review Order* on this proceeding. Rather, the CLECs should be required to submit written testimony responding to Verizon’s proposal (the logical next step in this proceeding) on December 5, 2003, which is four weeks after Verizon submitted its direct testimony.

The CLEC objections to responding in writing now to the Verizon batch cut proposal are without any basis. The suggestion that CLECs will save significant resources by delaying their written response to the Verizon proposal until such time as they respond to SBC’s final proposal does not stand up to scrutiny. As noted above, the *Triennial Review Order* clearly requires individualized consideration of the batch cut processes offered by incumbents. Accordingly, whether they do so in the form of one document or two, the CLECs must respond *separately* to the individual proposals of Verizon and SBC. If anything, the period before SBC issues its final

batch cut proposal is the most logical time for the CLECs to respond to Verizon's direct testimony because there is other no other activity on batch hot cuts in the case during that time.

Moreover, by December 5th, the CLECs will have had ample time to respond to Verizon's proposal. Indeed, many of the CLECs participating in the workshop have *already* filed a written testimony concerning Verizon's proposed batch cut process in New York. And, because Verizon is proposing a uniform, nationwide batch cut process to better serve its national customers like AT&T and MCI, the process proposed in New York is identical to the process Verizon has proposed in California.^{2/} AT&T's assertion that it needs additional time to respond to Verizon's proposal in order to focus on any California-specific issues is unavailing. To the extent that there are California-specific issues to be addressed, there is no reason why AT&T (and other CLECs) should not be required to raise them on a timely basis so that Verizon can begin to respond – and potentially resolve – the issues. Indeed, AT&T's assertion only proves Verizon's point: the CLECs should be required to respond in writing to Verizon's proposals now so that the case can proceed expeditiously. To the extent that CLEC resources can be saved by maintaining the Verizon and SBC batch cut proposals on a single procedural track, it is not through combining the CLEC written testimony on the two proposals, but rather through holding a consolidated hearing on both the Verizon and SBC batch cut processes. Verizon is not averse to a consolidated hearing on both the Verizon and SBC batch cut proposals.

Accordingly, Verizon respectfully proposes the following schedule:

December 5, 2003 – deadline for CLEC direct testimony

January 9, 2004 – deadline for Verizon reply testimony

^{2/} For example, AT&T, MCI, and Covad filed testimony addressing Verizon's batch cut process on October 24, 2003 in the New York hot cuts proceeding.

With respect to the hearing, assuming the above deadlines for the filing of testimony, Verizon could be ready for a hearing as early as January 26, 2004.

B. Line Splitting and Line Sharing Issues Should be Removed from this Case

Finally, Verizon urges the Commission to remove customer migration issues involving line splitting and line sharing arrangements from this matter, and urges the transfer of these issues to a separate collaborative proceeding under the Commission's ordinary procedures.

There are several principal reasons why issues related to line splitting and line sharing should not be part of this proceeding and should have no impact on the Commission's ultimate findings concerning impairment and the approval of a batch cut process. To begin, consideration of line splitting and line sharing in this proceeding is contrary to the *Triennial Review Order*. The FCC has expressly defined its batch-cut requirements in terms of developing a process to migrate loops "from one carrier's local circuit switch to another carrier's *local circuit switch*."^{3/} As the Arizona Corporation Commission has properly recognized in rejecting a request to include line splitting in its nine-month *Triennial Review Order* proceeding,^{4/} the FCC directed carriers to pursue line-splitting implementation, not as part of the switching cases or the development of a batch conversion process, but rather as part of a state's ordinary procedures.^{5/}

^{3/} 47 C.F.R. § 51.319(d)(ii) (defining "batch cut process") (emphasis added); *see also* 47 C.F.R. § 51.319(d)(ii)(A) (directing state commissions to establish process "for use in migrating lines served by one carrier's local circuit switch to lines served by another carrier's *local circuit switch*") (emphasis added).

^{4/} *See* Arizona Corporation Commission, Procedural Order, *ILEC Unbundling Obligations As a Result of the Federal Triennial Review Order*, Dkt No. T-00000A-03-0369 (Nov. 6, 2003) at 5-6 ("[T]he FCC's Triennial Review Order did not require line splitting to be addressed in the nine-month docket and, . . . no party could point to another state commission that is addressing line splitting in its triennial review proceedings."); *id.* at 7 (IT IS FURTHER ORDERED that line splitting will not be addressed in this docket.).

^{5/} *Triennial Review Order* ¶ 252 ("[W]e encourage incumbent LECs and competitors to use existing state commission collaboratives and change management processes to address OSS modifications that are necessary to support line splitting.").

Nor do line sharing or line splitting have any impact on the conversion of the embedded base of customers currently served by UNE-P in the Verizon territory in California. There are presently *no* line splitting arrangements in the Verizon territory in California and very few line sharing arrangements. Moreover, to the extent there are a small number of line sharing arrangements in California today in which Verizon is involved, in all such cases Verizon is the voice provider, and thus the elimination of UNE-P would not cause any additional demand for customer migrations. To the extent that in the future some Verizon lines *do* become subject to line splitting arrangements, the migration of split loops can be handled on a case-by-case basis. Given the exceedingly low volumes at issue, there is plainly no need to develop a “batch” process for the migration of such customers. Nor is there a likelihood that a batch cut process will be needed for the future.

The conversion of split or shared lines raises unique technical issues that do not affect the migration of customers under Verizon’s proposed batch cut process. This is yet another reason that these issues should be addressed in separate collaborative proceeding rather than in the Commission’s nine-month batch cut case. This is plainly what the FCC envisioned.^{6/} Verizon is therefore prepared to address customer migration issues affecting line splitting and line sharing in the collaborative workshop scheduled by the Commission to take place in December of 2003. Verizon urges, however, that any such workshop and subsequent proceedings should be conducted under the Commission’s usual collaborative processes and not as part of the *Triennial Review* docket.

^{6/} See *Triennial Review Order* ¶ 252 (“[W]e encourage incumbent LECs and competitors to use existing state commission collaboratives and change management processes to address OSS modifications that are necessary to support line splitting.”).

For these reasons, line splitting should have no bearing on the findings and conclusions the Commission ultimately makes in this action and should be addressed in a separate collaborative proceeding under the Commission's ordinary procedures.

Respectfully submitted,

By

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